



Virginia Housing Commission

April 2, 2019, at 10:00 a.m.

The Capitol, House Room 1

<http://dls.virginia.gov/commissions/vhc.htm>

The Virginia Housing Commission (the Commission) met in Richmond with Delegate Daniel W. Marshall, III, acting chair, presiding.¹ The meeting began with introductions and opening remarks followed by presentations and discussion. Remarks included the announcement of the resignation from the Commission of gubernatorial appointee Cynthia Hall due to a family matter. Materials presented at the meeting are accessible through the [*Commission's website*](#).

Presentation: Affordable Dwelling Units in Richmond (2019 HB 1670, Carr; 2019 SB 1192, Dance)

The Honorable Levar Stoney, Mayor, City of Richmond

Douglas Dunlap, Director, Housing and Community Development, City of Richmond

Mayor Stoney gave an overview on housing issues in the City of Richmond and thanked the Commission for the opportunity to showcase the city's efforts to increase affordable housing. There are 227,000 people now residing in the City of Richmond, and the city is looking to house approximately 15,000 more residents by 2023, with hopes of creating affordable housing for many of these people.

Richmond has a newly established eviction diversion program and anticipates diverting 500 eviction cases from a court hearing in 2019. To do so, the city is working with nonprofit entities. Mayor Stoney asked the Commission to consider ways to keep Richmond's neighborhood character while providing affordable housing options.

Mr. Dunlap, Director of Housing and Community Development, explained that Affordable Dwelling Units (ADUs) have been in use in Richmond for many years, but the limited pool of community development corporations and lack of nonprofit housing organizations that operate within the city pose a significant challenge. The city has received only one application for ADUs for a small development consisting of 26 units, with two units designated as affordable units in accordance with city regulations.

Mr. Dunlap said that the city has a need to look beyond creating density to ensure that affordable units exist within a housing development. He said that a solution must be crafted to address the need for the creation of more affordable units and that developers need to be compensated for lost rental income. Special use permits are now used instead of the ADU ordinance, allowing for the city to waive fees for housing permits and to expedite reviews for building permits.

In response to questions concerning the implementation of transfer of density programs (TDRs), Mr. Dunlap said the city does not currently have a TDR program in place but should consider that option.

¹ **Members Present:** Delegate Daniel W. Marshall, III (acting chair), Delegate David. L. Bulova, Delegate Betsy B Carr, Delegate Barry D. Knight, Delegate Christopher K. Peace, Senator George L. Barker, Senator William M. Stanley, Jr., Laura D. Lafayette, Lawrence Pearson, Elizabeth A. Palen

Members Absent: Senator Mamie E. Locke (chair)

Presentation: Potential Resources to Address Public Housing Transformation in Virginia

Susan Dewey Executive Director, Virginia Housing Development Authority

Ms. Dewey presented an update on changes in funding for Virginia's housing authorities since December 21, 2018, when she last addressed the Commission.

According to a recent Housing and Urban Development (HUD) estimate, 1.15 million units of low-income housing are needed in the United States. As far as capital needs are concerned, there is a current backlog of \$26 billion. Since 2010, it is estimated this number has doubled to \$52 billion needed to create the number of housing units needing capital improvements in the country.

There is a need for an additional 16,000 low-income units in the Commonwealth as projected by Virginia Housing and Community Development Officials (VAHCDO) in their 2015 inventory of capital housing needs.

Ms. Dewey updated data previously presented to the Commission:

- Twelve of 25 redevelopment authorities in the Commonwealth have responded to a survey conducted by VHDA on funding needed for housing units.
- VHDA has allocated low-income housing tax credits (LIHTC) to stimulate the building of multifamily housing for low-income individuals.
- VHDA has awarded LIHTC for 11 developments this year and has added internal funding to buy down interest rates and make the projects more financially workable.
- \$30 million allocated by HUD will soon flow into Norfolk and Newport News for their housing authorities to improve low-income housing projects.

Presentation: Gentrification

Dr. Derek Hyra, Associate Professor and Director of Metropolitan Policy Center, American University

Dr. Derek Hyra said there is a wave of redevelopment across the nation, and in Virginia it is focused most heavily in Northern Virginia. Dr. Hyra studies neighborhood change and place-based redevelopment that has affected Richmond and other places in Virginia. He stated that gentrification is on the rise across the state and explained that the term "gentrification" originally referred to a class-based phenomenon and did not specify race as a factor in the displacement as is now the case. Investments, a term he used synonymously with large multi-national businesses, citing Amazon as one, or people of higher income currently drive displacement of citizens living in a community. Now, inner-ring suburbs are just as likely as inner cities to have gentrification occur, as is the case along Columbia Pike in Northern Virginia.

Dr. Hyra elaborated by saying that areas that are historically areas of color with low-income people are the most likely areas to be gentrified. Arlandria, a neighborhood in Alexandria, and the area where both the Virginia Tech Northern Virginia campus and the Amazon campus will expand, currently has the most private-market affordable housing in the region.

Concerns among members of the Commission included the fact that some areas do need redevelopment, and most people are in favor of investment dollars that will in turn stimulate



other development, even if the result is rising property values and increased property taxes and rental prices.

Work Plan

Elizabeth Palen, Executive Director, Virginia Housing Commission

Ms. Palen detailed the content of bills that have been referred to the Commission and listed topics of concern in letters sent to the Commission. The topics will be studied individually by three work groups: the Affordable Housing and Real Estate Law Work Group, chaired by Delegate Christopher K. Peace; the Neighborhood Transitions, Environmental Issues, and Building Codes Work Group, chaired by Senator Mamie E. Locke, and the Common Interest Communities Work Group, chaired by Delegate David L. Bulova. A special work group on Proffers and Impact Fees will be chaired by Senator William M. Stanley, Jr.

The Commission's work plan, previously approved by the chair, Senator Mamie E. Locke, was endorsed unanimously by the Commission.

Work group meetings will be held throughout the interim and will be posted on the Commission's website as well as on the legislative calendar.

Next Meeting

The full Commission will meet again on September 18, 2019, at 10:00 a.m. in House Room 1 of the Capitol.

For more information, see the [Commission's website](#) or contact the Division of Legislative Services staff:

Elizabeth A. Palen, Executive Director, Virginia Housing Commission, DLS
epalen@dls.virginia.gov
804-698-1875

